

FISCAL NOTE

HB 447 - SB 647

February 10, 2001

SUMMARY OF BILL: Amends TCA, Title 57, Chapter 5, Part 1 as follows:

- Defines a keg for the purposes of this new section as any brewery-sealed, individual container of beer having a liquid capacity of six gallons or more.
- Adds a new section that requires:
 - Any retailer who sells beer contained in kegs for off-premises consumption to place an identification tag on each keg of beer at the time of sale.
 - The purchaser of the keg to sign a receipt for the keg so that the kegs may be traced if the contents are used in violation of state law.
 - The keg identification tag to be in the form of a numbered label prescribed and supplied by the Department of Revenue that identifies the seller. The label must be constructed of material and made attachable in such a manner as to make the label easily removable for the purpose of cleaning and reusing the keg by a beer manufacturer.
 - The receipt for the purchaser to be on a form prescribed and supplied by the Department of Revenue and must include the name and address of the purchaser and the purchaser's driver's license number or equivalent form of identification number.
 - The retailer to keep the deposit if, upon the return of a keg, the identification label that is required is missing.
 - Requires any county, municipal or metropolitan beer board or committee to revoke or suspend the permit of, or impose a civil penalty on, any retailer selling kegs for off-premises consumption who fails to require the signing of a receipt at the time of sale or who fails to place a numbered identification label on the keg.
 - The retailer to retain a copy of the receipt on the licensed premises for a period of six months. The receipt records shall be available for inspection and copying by the department of revenue or other authorized law enforcement agency.
- Authorizes the Department of Revenue to charge a fee not to exceed the actual cost of supplying receipt forms and identification labels.
- Provides that possession of a keg containing beer with knowledge that the keg is not identified as required is a Class C Misdemeanor.
- Provides that any purchaser of a keg who knowingly provides false information in obtaining the keg commits a Class C Misdemeanor.

HB 447 - SB 647

ESTIMATED FISCAL IMPACT:

Increase State Revenues - \$3,000

**Increase State Expenditures - \$3,000 Recurring
\$40,000 One-Time**

Increase Local Govt. Revenues - Not Significant

Increase Local Govt. Expenditures - Not Significant

Estimate assumes the following:

- an increase in state expenditures of \$40,000 for MIS System Implementation costs related to the accounting for the numbered and labeled keg identification tags, based on information from the Department of Revenue.
- the Department of Revenue will incur expenditures for printing and distribution of forms and identification tags, estimated at approximately \$3,000.
- for convictions based on a Class C Misdemeanor, the impact depends upon the number of persons convicted of this offense and the resulting increased cost to local governments to confine such persons versus the increased revenues to local governments from fines levied and collected under the provisions of this bill. The estimated impact to local governments is not significant.
- the bill authorizes the Department of Revenue to charge a fee not to exceed the actual cost of supplying forms and identification labels. The increase in state revenues resulting from the collection of the fee is estimated to be approximately \$3,000.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director